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LOUISIANA BOARD OF MASSAGE THERAPY

DEPARTMENT OF HEALTH AND HOSPITALS

STATE OF LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 2001
WITH SUPPLEMENTAL INFORMATION SCHEDULES

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

9-19-01

MCRIGHT & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
11817 BRICKSOME AVE. SUITE E
BATON ROUGE, LOUISIANA

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DEPARTMENT OF HEALTH AND HOSPITALS

STATE OF LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
LOUISIANA BOARD OF MASSAGE THERAPY
State of Louisiana

We have audited the accompanying general purpose financial statements of the LOUISIANA BOARD OF MASSAGE THERAPY, a component unit of the State of Louisiana, as of and for the two years ended June 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the LOUISIANA BOARD OF MASSAGE THERAPY'S management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards* issued by the Comptroller General of the United States, and the Louisiana Governmental Auditing Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the LOUISIANA BOARD OF MASSAGE THERAPY as of June 30, 2001, and the results of its operations for the two years then ended in conformity with generally accepted accounting principles accepted in the United States of America.

As discussed in note U to the general purpose financial statements, the Board intends to implement Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, for the fiscal year ended June 30, 2002. The effects of Statement Number 34 are expected to significantly impact the presentation of the financial statements in the year of implementation. The revised minimum reporting requirements include Management's Discussion and Analysis to introduce the basic financial statements and provide an analytical overview of the board's financial activities. In addition, the revised requirements include the basic financial statements and notes, which include government-wide financial statements that display information about the reporting government as a whole, except for its fiduciary activities, using the economic resources measurement focus and the accrual basis of accounting, as well as fund financial statements for the government's governmental and fiduciary funds, that display information about major funds individually and non-major funds in the aggregate using the measurement focus and basis of accounting required for each of the two fund categories. Finally, other required supplementary information, including budgetary comparison information, will be presented.

McRight & Associates
Certified Public Accountants

In accordance with Government Auditing Standards, we have also issued a report dated July 10, 2001 on our consideration of the LOUISIANA BOARD OF MASSAGE THERAPY'S internal control over financial reporting and our tests of its compliance with laws and regulations. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying supplemental information schedules listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the LOUISIANA BOARD OF MASSAGE THERAPY. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole. The supplementary information in appendix A, Information Required by the Office of Statewide Reporting and Accounting Policy, has not been audited, reviewed, or compiled by McRight & Associates, CPAs, and McRight & Associates, CPAs assumes no responsibility for this information.

McRight & Associates

McRight & Associates

July 10, 2001

LOUISIANA BOARD OF MASSAGE THERAPY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

COMBINED BALANCE SHEET - ALL FUNDS TYPES AND ACCOUNT GROUPS
JUNE 30, 2001

	Governmental Fund Type General <u>Fund</u>	General Fixed <u>Assets</u>	General Long Term <u>Debt</u>	Total (Memo Only) <u>Only)</u>
ASSETS AND OTHER DEBITS				
ASSETS				
Cash	\$131,137			\$131,137
Furniture & Equipment		\$20,746		20,746
Amt to be Provided for Retirement of Long Term Debt			12,541	12,541
Total assets and other debits	<u>\$131,137</u>	<u>\$20,746</u>	<u>\$12,541</u>	<u>\$164,424</u>
LIABILITIES, FUND BALANCE AND OTHER CREDITS				
LIABILITIES				
Accounts payable	\$ 3,355			\$3,355
Compensated absences			\$12,541	12,541
Total Liabilities	<u>3,355</u>	<u>-0-</u>	<u>12,541</u>	<u>15,896</u>
FUND BALANCE & OTHER CREDITS				
Investment in general fixed assets		20,746		20,746
Fund Balance:				
Unreserved & Undesignated	127,782			127,782
Total Fund Equity	<u>127,782</u>	<u>20,746</u>	<u>-0-</u>	<u>148,528</u>
Total liabilities, fund balance & other credits	<u>\$131,137</u>	<u>\$20,746</u>	<u>\$12,541</u>	<u>\$164,424</u>

The accompanying notes are an integral part of this statement.

LOUISIANA BOARD OF MASSAGE THERAPY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEARS ENDED JUNE 30, 2001, and 2000

	Year Ended June 30, 2001 -----	Year Ended June 30, 2000 -----
Revenues:		
Licenses, permits, and fees	\$266,186	\$210,012
Interest Income	2,335	698
Miscellaneous	3,206	6,396
	-----	-----
Total revenues	271,727	217,106
	-----	-----
Expenditures:		
Personal services & Ben.	\$125,043	\$103,960
Operating services	25,529	29,885
Materials and Supplies	4,434	4,768
Professional Services	39,126	52,977
Travel	9,434	6,166
All Other		
Capital outlay	613	9,448
	-----	-----
Total expenditures	\$204,179	207,204
	-----	-----
Excess of revenues over (under) expenditures	67,548	9,902
 Fund Balance - beginning	 60,234	 50,332
	-----	-----
Fund Balance, ending	\$127,782	\$60,234
	=====	=====

See Notes to Financial Statements

LOUISIANA BOARD OF MASSAGE THERAPY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
FUND BALANCES -BUDGET AND ACTUAL -
ALL GOVERNMENTAL FUND TYPES
FOR THE YEARS ENDING JUNE 30, 2001, AND 2000

YEAR ENDED JUNE 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Licenses and permits	\$ 216,600	266,186	\$49,586
Interest Income	400	2,335	1,935
Miscellaneous	2,175	3,206	1,031
	-----	-----	-----
Total revenues	219,175	271,727	52,552
	-----	-----	-----
Expenditures:			
Personal Svc & Benefits	\$ 106,036	125,043	(19,007)
Operating services	36,390	25,529	10,861
Materials and Supplies	6,000	4,434	1,566
Professional Svcs	45,500	39,126	6,374
Travel	3,950	9,434	(5,484)
Capital outlay	0	613	(613)
	-----	-----	-----
Total expenditures	197,876	204,179	(6,303)
	-----	-----	-----
Excess of revenues over (under) expenditures	21,299	67,548	46,249
Fund Balance - beginning	60,234	60,234	
	-----	-----	-----
Fund Balance, ending	81,533	127,782	46,249
	=====	=====	=====

The accompanying notes are an integral part of this statement

LOUISIANA BOARD OF MASSAGE THERAPY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

YEAR ENDED JUNE 30, 2000

BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
-----	-----	-----
\$206,125	\$210,012	\$3,887
400	698	298
2,175	6,396	4,221
-----	-----	-----
<u>208,700</u>	<u>217,106</u>	<u>8,406</u>
103,416	103,960	(544)
29,871	29,885	(14)
7,000	4,768	2,232
52,800	52,977	(177)
6,000	6,166	(166)
9,500	9,448	52
-----	-----	-----
<u>208,587</u>	<u>207,204</u>	<u>1,383</u>
113	9,902	9,789
50,332	50,332	
-----	-----	-----
<u>50,445</u>	<u>60,234</u>	<u>9,789</u>
=====	=====	=====

LOUISIANA BOARD OF MASSAGE THERAPY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 2001

INTRODUCTION:

The Louisiana Board of Massage Therapy (the Board) is a component unit of the State of Louisiana created within the Louisiana Department of Health and Hospitals, as provided by Louisiana Revised Statute (LSA-R.S.) 37:3551. The Board is composed of seven members appointed by the Governor. The members serve terms of two years however, no member shall serve more than three consecutive terms. The Board is charged with the responsibility of licensing and regulating the practice of Massage Therapy in the State of Louisiana. The board's operations are funded entirely through annual self-generated revenues. At June 30, 2001, there were 1,200 massage therapists and 1,000 establishments licensed in the State. Also, there are 100 provisional licenses.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In June of 1987, the GASB issued a revised codification of governmental accounting and financial reporting standards. The codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local government.

2. Reporting Entity

The Louisiana Board of Massage Therapy prepares its financial statements in accordance with the standards established by the GASB. GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and has defined the governmental reporting entity to be the State of Louisiana. The accompanying statements present only transactions of the Louisiana Board of Massage Therapy, a component unit of the State of Louisiana.

Annually the State of Louisiana issues general purpose financial statements which include the activity contained in the accompanying financial statements. The General purpose financial statements are issued by the Louisiana Division of the Administration, Office of Statewide Reporting and Accounting Policy, and audited by the Louisiana Legislative Auditor.

LOUISIANA BOARD OF MASSAGE THERAPY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 2001

3. Fund Accounting

The board uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with self-balancing set of accounts. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the fund because they do not directly affect net expendable financial resources. The funds presented in the financial statements are described as follows:

General Fund:

The General Fund is classified as a governmental fund. The General Fund is the operating fund of the board and accounts for financial resources. Revenues are accounted for in this fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. General operating expenditures are paid from this fund.

Account Groups

The two account groups are not "funds". They are concerned only with the measurement of financial position, not with measurement of results of operations. Account groups are used to establish account control and accountability for general fixed assets and general long-term debt.

- a. General Fixed Assets Account Group - Fixed assets used in the governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the governmental fund.
- b. General Long Term Debt Account Group - obligations such as compensated absences expected to be financed from governmental funds are accounted for in the general long-term debt account not in the governmental fund.

LOUISIANA BOARD OF MASSAGE THERAPY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 2001

4. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The Board's records are maintained on the modified accrual basis of accounting using the following practices:

Revenues:

Before or during the month of December, each holder of a certificate of registration issued pursuant to this Chapter shall submit to the Board an application and fee as provided in this Chapter for renewal of the certificate of registration. Each certificate of registration shall be renewed for a period of one year and shall be recorded together with its number in the official roster.

Other revenue is recorded in the year in which the revenue is available and measurable. In that usage, the term available means collectible in the current period or soon enough thereafter to be used to pay liabilities that are owed at the balance sheet date.

Expenditures:

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liabilities are incurred and the goods or services have been received.

Long-term obligations expected to be financed from governmental funds are accounted for in the General Long-Term Obligation Account Group, not in the governmental funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position, not with measurement of results of operations.

5. Encumbrances

The Louisiana Board of Massage Therapy does not follow the encumbrance method of accounting.

LOUISIANA BOARD OF MASSAGE THERAPY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 2001

6. Total Columns on Statements

The total column on the statements is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

B. BUDGET PRACTICES

Budgets are prepared and adopted by the Board annually and submitted to the Louisiana Department of Health and Hospitals as prescribed by the Louisiana Revised Statute 36:803 and submitted to the Legislature in accordance with LSA-R.S., 39:1331-1342. Although budget amounts lapse at year-end, the board retains its unexpended fund balance to fund expenditures of the succeeding year. The budget amount on Statement C reflects the amended adopted budget for the fiscal year ended June 30, 2001.

All funds budgeted are immediately available, as the Board's operations are financed with self-generated revenue. Therefore, the budget is known as a nonappropriated budget.

The Board normally does not use encumbrance accounting, so the budget was not integrated in the accounting records. In addition, the budget was employed by the Board as a management control device, by comparing budgeted expenditures with actual expenditures. The budget is prepared on the GAAP basis, using the modified accrual basis of accounting. The Board monitors the budget and makes changes when deemed appropriate. The Board has complied with the budgetary requirements of LSA-RS 39:43.

C. DEPOSIT WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. DEPOSIT WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the board may deposit funds within a fiscal agency bank selected and designated by the Interim Emergency Board. Further, the board may invest in time certificates of deposits of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks

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DEPARTMENT OF HEALTH AND HOSPITALS
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and in share accounts and in share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law federal deposit insurance or the pledge of securities owned by the fiscal agent bank must secure these deposits. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer. The deposits at June 30, 2001, were secured by federal deposit insurance as follows:

DEPOSITS IN BANK ACCOUNTS

JUNE 30, 2001

Demand Deposits	\$ 60,764
Certificates of Deposit	70,373

Total Bank Balances	\$131,137
(Secured by FDIC Insurance)	

2. INVESTMENTS

The Board does not maintain investments accounts as authorized.

D. RECEIVABLES

At June 30, 2001 there were no receivables.

E. DUE FROM/DUE TO AND TRANSFERS

At June 30, 2001, there was a balance of -0-.

LOUISIANA BOARD OF MASSAGE THERAPY
DEPARTMENT OF HEALTH AND HOSPITALS
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NOTES TO FINANCIAL STATEMENTS
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F. CHANGES IN GENERAL FIXED ASSETS

Fixed assets used in the governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in government funds. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost.

A summary of changes in general fixed assets follows:

<u>GENERAL FUND</u>				
Fiscal Year Ending June 30,	Ending Balance 1999	Additions	Deletions	Ending Balance 2001
	-----	-----	-----	-----
Office Furn & Equip	16,409	9,448	5,111	20,746
	-----	-----	-----	-----
Total	\$16,409	9,448	5,111	20,746
	=====	=====	=====	=====

G. INVENTORIES

Inventories are considered immaterial and are recorded at cost and recognized as an expenditure when purchased.

H. RESTRICTED ASSETS

The board does not have any restricted assets at June 30, 2001.

I. PAYABLES

At June 30, 2001, the board had payables totaling \$3,355 as follows:

CLASS OF PAYABLES	GENERAL

Accounts payable	\$3,355

LOUISIANA BOARD OF MASSAGE THERAPY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 2001

J. PENSION PLAN

The employees of the Board are members of the Louisiana State Employees Retirement System ("System"), a multiple-employer, public employee retirement system (PERS). The System is a statewide public retirement system for the benefit of state employees, which is administered and controlled by a separate board of trustees.

The system issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by contacting the Louisiana State Employee Retirement System at P.O. Box 44213, Baton Rouge, Louisiana 70804 or by calling (225) 922-0600.

All full-time Board employees, who began state employment prior to age 60, are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to 2.5 per cent of their highest consecutive 36 months average salary multiplied by their years of credited service plus \$300 for employees hired before July 31, 1986. Vested age is 55 with 25 years of service, or (c) age 60 with 10 years of service. The system also provides death and disability benefits. Covered employees were required to contribute 7.5% of gross salary to the plan. The Board added an additional 13% contribution for the year.

Contribution requirements to the System are set by Statute and differ from the contribution requirement determined using actuarial methods. Contributions to the retirement system for the years 2001, 2000, and 1999, were \$11,798, \$9,479, and \$13,683.

K. POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Board may provide certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Board employees become eligible for those benefits if they reach normal retirement age while working for the Board. Those benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly (50%) by the employee and by the Board. The Board's cost of providing retiree health care and life insurance benefits are recognized as expenditures when the monthly premiums are paid. The Board has no retired employees, and at present does not provide life insurance benefits.

LOUISIANA BOARD OF MASSAGE THERAPY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 2001

L. LEAVE

1. Annual and Sick Leave

The Louisiana Board of Massage Therapy has the following policy related to annual and sick leave for the Board's unclassified clerical employees. The earning of annual and sick leave is based on the equivalent of full-time service. It is credited at the end of each month of regular service. Accrued unused annual and sick leave shall be carried forward to the succeeding calendar year without limitation. Annual leave must be applied for by the employee and may only be used when approved by the board.

Accumulated annual leave is accrued in the accompanying financial statements. The Board's employees accumulate unlimited amounts of annual and sick leave at varying rates, as established by state regulations. Upon resignation or retirement, unused annual leave of up to 300 hours is paid to employees at the employee's current rate of pay. Upon retirement, annual leave in excess of 300 hours and unused sick leave is credited as earned service in computing retirement benefits.

At June 30, 2001, the employees of the Board had accumulated and vested \$12,541 of employee leave benefits, which were computed in accordance with GASB Codification Section C60, as modified by GASB Statement Number 16. This amount is recorded as an obligation of the long-term debt group of accounts.

Accumulated annual leave at June 30, 2001	\$12,541
	=====

2. Compensatory Leave

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. There is no liability at this time for Compensatory Leave.

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DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 2001

M. LEASES

1. Operating Leases

The Board rents its office space under an operation lease. The lease expense included in other services and charges for the fiscal year ended June 30, 2001, was \$6,000. The Board also leases a copier. For the year ended June 30, 2001, the lease for the copier was \$2,772. Annual lease expense under the lease term is as follows:

Fiscal Years Ending	Copier Lease	Office Lease	Total Amount
-----	-----	-----	-----
June 30, 2002	\$2,772	\$8,400	\$11,172
June 30, 2003	2,772	8,400	11,172
June 30, 2004	-0-	8,400	8,400
Thereafter	-0-	-0-	-0-

2. Capital Leases - None

3. Revenue Leases - None

N. GENERAL LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are accounted for in the general long-term obligation account group, not in the governmental funds.

The following is a summary of the long-term obligation transactions for the two years ended June 30, 2001.

	Compensated Absences	Capital Leases	Total
	-----	-----	-----
Long-term obligations at 6/30/99	\$9,280	0	\$9,280
Additions	3,788		3,788
Deductions	(527)		(527)
	-----	-----	-----
Long term obligations at 6/30/01	\$12,541	0	\$12,541
	=====	=====	=====

LOUISIANA BOARD OF MASSAGE THERAPY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 2001

O. LITIGATION AND CLAIMS

There were no unasserted claims or assessments as of June 30, 2001.

P. RELATED PARTY TRANSACTIONS

There were no related parties transactions.

Q. ACCOUNTING CHANGES

There were no accounting changes for the year ended June 30, 2001.

R. FUND DEFICITS

None of the funds have a deficit balance.

S. ENCUMBRANCES

The Board does not use encumbrance accounting.

T. SUBSEQUENT EVENTS

There were no subsequent events to be reported.

U. GASB 34 IMPLEMENTATION

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No, 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments. GASB No. 34 established new financial reporting requirements for all state and local governments and consists of the following:

A. Management Discussion and Analysis (MD&A) section providing an analysis of the government entity's overall financial position and results of operations.

B. Basic Financial Statements:

1. Government-wide financial statements prepared using the economic resources measurement focus and the accrual

LOUISIANA BOARD OF MASSAGE THERAPY
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NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 2001

basis of accounting. These statements are designed to provide a broad overview of a government entity's finances, in a manner similar to private sector business.

2. Fund financial statements, consisting of a series of statements that focus on a government's major governmental funds, using the modified accrual basis of accounting, and enterprise funds, if any.
3. Notes to the financial statements that include various disclosures for the government-wide and fund financial statements to ensure that a complete picture is presented.
4. Required supplementary information, such as budgetary comparison schedules.

In addition, this new GASB statement requires depreciation expense to be reported in the government-wide financial statements. However, depreciation expense will not be reported in the fund statements that use the modified accrual basis of accounting.

The board will implement the general provisions of GASB Statement No. 34 for the fiscal year ending June 30, 2002.

LOUISIANA BOARD OF MASSAGE THERAPY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

SCHEDULE OF PER DIEM PAID BOARD MEMBERS

NAME -----	YEAR ENDED JUNE 30, 2001 -----	YEAR ENDED JUNE 30, 2000 -----
Marco Blamphin	\$2,050	\$1,400
Michael Breaux	6,800	1,850
Michael Cavanaugh	100	0
Lena Holden	-0-	250
Juanita Bourg Tucker	200	250
Joe Wilson	100	750
Ellen LaRocca	200	350
Tammy Kershaw	6,650	5,200
	-----	-----
	\$ 16,100	\$ 10,050
	=====	=====
TOTAL		

The schedule of per diem paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Board members are paid \$50 for each day they attend a board meeting, as authorized by Louisiana Revised Statute.

LOUISIANA BOARD OF MASSAGE THERAPY
DEPARTMENT OF HEALTH AND HOSPITALS

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

The following pages contain reports on internal control structure and compliance with laws and regulations required by Government Auditing Standards, issued by the Comptroller General of the United States. The report on internal control structure is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance with laws and regulations is, likewise, based solely on the audit of the presented financial statements and presents, where applicable, compliance matters that would be material to the presented financial statements.

McRight & Associates

**Certified Public Accountants
11817 Bricksome Ave., Suite E
Baton Rouge, Louisiana
(225) 292-2041**

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited the general purpose financial statements of the Louisiana Board of Massage Therapy, a component unit of the State of Louisiana, as of and for the two years ended June 30, 2001, and have issued our report thereon dated July 10, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Louisiana Board of Massage Therapy's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Louisiana Board of Massage Therapy's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of

McRight & Associates

**Certified Public Accountants
11817 Bricksome Ave., Suite E
Baton Rouge, Louisiana
(225) 292-2041**

performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weakness.

This report is intended for the information of the Board and Legislative Auditor's Office. However, this report is a matter of public record, and its distribution is not limited.

McRight & Associates

July 10, 2001

LOUISIANA BOARD OF MASSAGE THERAPY

DEPARTMENT OF HEALTH AND HOSPITALS

STATE OF LOUISIANA

AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 2001

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs for the two years ending June 30, 2001.

LOUISIANA BOARD OF MASSAGE THERAPY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 2001

MANAGEMENT'S CORRECTIVE ACTION PLAN

A corrective action plan was not required for the two years ending June 30, 2001.

LOUISIANA BOARD OF MASSAGE THERAPY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 2001

SCHEDULE OF PRIOR YEAR FINDINGS

There were no prior years' findings.

LOUISIANA BOARD OF MASSAGE THERAPY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 2001

SUMMARY SCHEDULE OF FINDINGS

SUMMARY OF AUDITOR'S REPORT

An unqualified opinion was issued on the general purpose financial statements for the two years ended June 30, 2001.

REPORT ON INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

INTERNAL CONTROL

Material Weaknesses - none Reportable Conditions - none

COMPLIANCE

Noncompliance Material to Financial Statements - None

MATERIAL FINDINGS

NONE.

MANAGEMENT LETTER

A management letter was not issued as part of this audit.

SUMMARY OF PRIOR AUDIT FINDINGS

There were no prior year auditing findings.

MANAGEMENT CORRECTIVE ACTION PLAN

None Required.

LOUISIANA BOARD OF MASSAGE THERAPY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 2001

APPENDIX A

The following pages contain information required by the Office Of Statewide Reporting and Accounting Policy. This information has been compared to the data contained in the general purpose financial statements and the notes to the financial statements, and no significant differences were found.

Schedule No.



STATE OF LOUISIANA
Annual Financial Statement
Fiscal Year Ending 06/30/2001

Massage Therapy Board
(Agency Name)

Division of Administration
Office of Statewide Reporting and
Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095


Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana
70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Kayla Aymond, Executive Director of the Massage Therapy Board who duly sworn, deposes and says that the financial statement herewith given presents fairly the financial position of Massage Therapy Board at June 30, 2001 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 15th day of August, 2001.



Signature of Agency Official



Notary Public

Prepared by: Kayla Aymond
Title: Executive Director
Telephone No.: 225-658-8941
Date: August 10, 2001

Schedule No.



STATE OF LOUISIANA
Annual Financial Statement
Fiscal Year Ending 06/30/2001

Massage Therapy Board
(Agency Name)

Division of Administration
Office of Statewide Reporting and
Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Legislative Auditor
P. O. Box 94397
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Signature of Agency Official



Notary Public

Prepared by: Kayla Aymond
Title: Executive Director
Telephone No.: 225-658-8941
Date: August 10, 2001

STATE OF LOUISIANA
 MASSAGE THERAPY BOARD
 DEPARTMENT OF HEALTH & HOSPITALS
 BALANCE SHEET – ALL FUNDS AND ACCOUNT GROUPS
 AS OF 06/30/01

	<u>Governmental Fund Types</u>		<u>Account Groups</u>		
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	<u>Total (Memorandum Only)</u>
ASSETS AND OTHER DEBITS					
Cash and cash equivalents	\$ 60,763	\$	\$	\$	\$ 60,763
Investments	70,374				70,374
Receivables					
Due from other funds					
Other assets					
Fixed assets			20,746		20,746
Amount to be provided for retirement Of general long-term obligations				12,541	12,541
TOTAL ASSETS AND OTHER DEBITS	\$ 131,137	\$ 0	\$ 20,746	\$ 12,541	\$ 164,424
LIABILITIES, FUND EQUITY, AND OTHER CREDITS					
LIABILITIES:					
Accounts payable	\$ 3,355	\$	\$	\$	\$ 3,355
Compensated absences payable				12,541	12,541
Due to other funds					
Long-term obligations payable					
Other liabilities					
Total liabilities	3,355			12,541	15,896
EQUITY AND OTHER CREDITS:					
Investment in general fixed assets			20,746		20,746
Fund balance – reserved					
– unreserved, undesignated	127,782				127,782
– unreserved, designated					
Total equity and other credits	127,782	0	20,746		148,528
TOTAL LIABILITIES, FUND EQUITY, AND OTHER CREDITS	\$ 131,137	\$ 0	\$ 20,746	\$ 12,541	\$ 164,424

The accompanying notes are an integral part of this statement.

Statement A

STATE OF LOUISIANA
 MASSAGE THERAPY BOARD
 DEPARTMENT OF HEALTH & HOSPITALS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED 06/30/01

	General Fund	Special Revenue Fund(s)	Total (Memorandum Only)
REVENUES:			
Use of money and property	\$ 2,335	\$	\$ 2,335
Licenses, permits, and fees	266,186		266,186
Sales of commodities and services	3,206		3,206
Other			
Total revenues	271,727		271,727
EXPENDITURES:			
Intergovernmental			
Other	204,179		204,179
Total expenditures	204,179		204,179
Excess(Deficiency) of Revenues over Expenditures	67,548		67,548
OTHER FINANCING SOURCES(USES):			
Total other financing sources(uses)			
Excess(deficiency) of revenues and other sources over expenditures and other uses	67,548		67,548
Fund balance(deficit) at beginning of year (as restated)	60,234		60,234
Fund balance(deficit) at end of year	\$ 127,782	\$	\$ 127,782

The accompanying notes are an integral part of this statement.

Statement B

STATE OF LOUISIANA
 MASSAGE THERAPY BOARD
 DEPARTMENT OF HEALTH & HOSPITALS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED 06/30/01

	GENERAL FUND		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Use of Money	\$ 400	\$ 2,335	\$ 1,935
Licenses and Fees	216,600	266,186	49,586
Sales of Commodities & Services	2,175	3,206	1,031
Total revenues	219,175	271,727	52,552
EXPENDITURES:			
Personal Services & Benefits	104,036	108,944	(4,908)
Operating Services	37,390	34,517	2,873
Professional Services	46,500	46,237	263
Supplies	6,000	4,434	1,566
Travel	3,950	9,434	(5,484)
Capital Outlay	0	613	(613)
Total expenditures	197,876	204,179	(6,303)
Excess(Deficiency) of Revenues over Expenditures	21,299	67,548	46,249
OTHER FINANCING SOURCES(USES):			
Total other financing sources(uses)			
Excess(deficiency) of revenues and other sources over expenditures and other uses	21,299	67,548	46,249
Fund balance(deficit) at beginning of year	60,234	60,234	0
Adjustment			
Fund balance(deficit) at end of year	\$ 81,533	\$ 127,782	\$ 46,249

* Categorize revenues and expenditures according to board's/commission's chart of accounts.

The accompanying notes are an integral part of this statement.

Statement C

STATE OF LOUISIANA
 MASSAGE THERAPY BOARD
 DEPARTMENT OF HEALTH & HOSPITALS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED 06/30/01

	SPECIAL REVENUE FUND(S)		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
*	\$	\$	\$
*			
*			
*			
*			
Total revenues	0	0	0
EXPENDITURES:			
*			
*			
*			
*			
*			
Total expenditures	0	0	0
Excess(Deficiency) of Revenues over Expenditures	0	0	0
OTHER FINANCING SOURCES(USES):			
Total other financing sources(uses)	0	0	0
Excess(deficiency) of revenues and other sources over expenditures and other uses			
Fund balance(deficit) at beginning of year Adjustment			
Fund balance(deficit) at end of year	\$ 0	\$ 0	\$ 0

* Categorize revenues and expenditures according to board's/commission's chart of accounts.

The accompanying notes are an integral part of this statement.

Statement C

INTRODUCTION

The Massage Therapy Board is a component unit of the State of Louisiana created within the Louisiana Department of Health & Hospitals, as provided by Louisiana Revised Statutes 37:3551. The board is composed of 7 members, appointed by the Governor, who serve terms of 2 years. The board is charged with the responsibility of licensing and regulating the practice of massage therapy in the State. Operations of the board are funded with self-generated revenues.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

2. Reporting Entity

GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and has defined the governmental reporting entity for the board to be the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the commission members and public service is rendered within the state's boundaries. The accompanying financial statements present transactions of the Massage Therapy Board and therefore, are a part of the fund and account group structure of the State of Louisiana. Annually the State of Louisiana issues general-purpose financial statements, which are audited by the Louisiana Legislative Auditor.

3. Fund Accounting

The board uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the fund because they do not directly affect net expendable financial resources. The funds presented in the financial statement are described as follows:

General Fund

The General Fund is classified as a governmental fund. The General Fund is the general operating fund of the board and accounts for all financial resources. Revenues are accounted for in this fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. General operating expenditures are paid from this fund.

Special Revenue Fund(s)

Special Revenue Fund(s) are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Account Groups

The two account groups are not "funds". They are concerned only with the measurement of financial position, not with measurement of results of operations. Account groups are used to establish accounting control and accountability for general fixed assets and general long-term debt.

a. General Fixed Asset Account Group – Fixed assets used in the governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the governmental fund.

b. General Long Term Debt Account Group – obligations such as compensated absences payable expected to be financed from governmental funds are accounted for in the general long-term debt account group not in the governmental funds.

4. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statement. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The board's records are maintained on the modified accrual basis of accounting using the following practices:

Revenues

Licenses and fees are recorded in the year received. Substantially all other revenues are recorded when they become available to the Board.

Expenditures

Expenditures are recognized under the modified accrual basis of accounting.

Other Financing Sources (Uses)

The Board did not have any other financing sources (uses) of funds during the year ended June 30, 2001.

5. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, are not employed as an extension of formal budgetary integration in the General Fund.

6. Total Columns on Combined Statements

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

B. BUDGET PRACTICES

The Massage Therapy Board utilizes the following budgetary practices:

Annually the board adopts a budget that is submitted to the Health & Welfare Committee as prescribed by LRS 39:1331. The budget for fiscal year ended June 30, 2001 was adopted on May 4, 2000, and is prepared and reported on a modified accrual basis of accounting. Although budget amounts lapse at year-end, the Board retains its unexpended fund balance to fund expenditures of the succeeding year. The budget amounts on Statement C reflect the original adopted budget for the fiscal year ended June 30, 2001. There were no amendment(s) made to the budget.

There were not any non-GAAP budget amounts during the year ending June 30, 2001.

The following individual funds had actual expenditures over adopted budgeted expenditures for the year-ended June 30, 2001:

<u>Fund</u>	<u>Fund Type</u>	<u>Ending Fund Balance</u> <u>(Deficit)</u>
		\$

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Massage Therapy Board may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Board may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and in share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law federal deposit insurance or the pledge of securities owned by the fiscal agent bank must secure these deposits. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank. The deposits at June 30, 2001, were secured as follows:

Deposits in bank accounts			
	Cash	Certificates of Deposit	Other (Describe)
Deposits in bank accounts per balance sheet	\$ 60,763	\$ 70,374	\$ 131,137
Bank balances:			
1. Insured or collateralized with securities held by the entity or its agency <u>in the entity's name</u>	60,763	70,374	131,137
2. Collateralized with securities held by the pledging institution's trust department or agent <u>in the entity's name</u>			
3. Uncollateralized, including any securities held for the entity <u>but not in entity's name</u>			
Total bank balances	\$ 60,763	\$ 70,374	\$ 131,137

The following is a breakdown by banking institutions, program, account number and amount of the bank balances shown above:

Banking institution	Program	Amount
1. Bank of Zachary	Checking	\$ 60,763
2. Regions Bank	TCD	70,374
3.		
4.		
Total		\$ 131,137

There were no uncollateralized securities fitting the description in (3) above during the year greater than at June 30, 2001.

Cash in state treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included in the balance sheet:

Cash in State Treasury	\$ 0
Petty cash	\$ 0

2. INVESTMENTS

Upon implementation of GASB Statement 31, reported amount and fair value will often be the same number.

The Massage Therapy Board does not maintain investment accounts.

Investments can be classified according to the level of risk to the entity. Using the following categories, list each type of investment disclosing the carrying amount, market value, and applicable category of risk.

Category 1 - Insured or registered in the entity's name, or securities held by the entity or its agent in the entity's name

Category 2 - Uninsured and unregistered with securities held by the counterparty's trust department or agent in the entity's name

Category 3 - Unsecured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the entity's name

NOTE: If during the year the amount of investments reported in category 3 was greater than at June 30, 2001, attach a statement to that effect and briefly state the cause(s).

Certain types of investments cannot appropriately be categorized. These are to be listed separately at the end of the schedule in the space provided.

<u>Type of Investments</u>	<u>Category of Risk</u>			<u>Reported Amount</u>	<u>Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Repurchase agreements	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
U.S. Government securities	_____	_____	_____	_____	_____
Common & preferred stock	_____	_____	_____	_____	_____
Commercial paper	_____	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____	_____
Other: (identify)	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____
Total categorized investments	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Investments not categorized: (list separately)				_____	_____
_____				_____	_____
_____				_____	_____
_____				_____	_____
_____				_____	_____
Total Investments				\$ <u>0</u>	\$ <u>0</u>

3. Other Disclosures Required for Investments

a. Investments in pools managed by other governments or mutual funds _____

b. Securities underlying reverse repurchase agreements _____

c. Unrealized investment losses

d. Commitments as of _____ (fiscal close), to resell securities under yield maintenance repurchase agreements:

1. Carrying amount and market value at June 30 of securities to be resold _____

2. Description of the terms of the agreement _____

e. Investment types owned during the year but not owned as of June 30 _____

f. Losses during the year due to default by counterparties to deposit or investment transactions _____

g. Amounts recovered from prior-period losses which are not shown separately on the balance sheet _____

Legal or Contractual Provisions for Reverse Repurchase Agreements

h. Source of legal or contractual authorization for use of reverse repurchase agreements _____

i. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year _____

Reverse Repurchase Agreements as of the Balance Sheet Date

j. Credit risk related to the reverse repurchase agreements outstanding at balance sheet date, that is, the aggregate amount of reverse repurchase agreement obligations including accrue interest compared to aggregate market value of the securities underlying those agreements including interest _____

k. Commitments on _____ (fiscal close), to repurchase securities under yield maintenance agreements _____

l. Market value on _____ (fiscal close), of the securities to be repurchased _____

m. Description of the terms of the agreements to repurchase _____

n. Losses recognized during the year due to default by counterparties to reverse repurchase agreements _____

o. Amounts recovered from prior-period losses which are not separately shown on the operating statement _____

Fair Value Disclosures

p. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices _____

- q. Basis for determining which investments, if any, are reported at amortized cost _____
- r. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool _____
- s. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares _____
- t. Any involuntary participation in an external investment pool _____
- u. Whether you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining that fair value and the reasons for having had to make such an estimate _____
- v. Any income from investments associated with one fund that is assigned to another fund _____

D. RECEIVABLES

At June 30, 2001, the Board had net receivable balances, totaling \$ 0.

<u>Class of Receivable</u>	<u>Governmental Funds</u>		<u>Total Receivables (Net)</u>
	<u>General Fund</u>	<u>Special Revenue</u>	
Assessments	\$ _____	\$ _____	\$ _____
Accrued interest receivable	_____	_____	_____
Hearing costs	_____	_____	_____
Fines	_____	_____	_____
Other: (identify)	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Less allowance for doubtful accounts	(_____)	(_____)	(_____)
Total receivables, net	\$ _____ 0	\$ _____ 0	\$ _____ 0

E. DUE TO/DUE FROM AND TRANSFERS

1. There were no amounts due from other funds at June 30, 2001:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
Total due from other funds		\$ _____ 0

2. There were no amounts due to other funds at June 30, 2001:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
		\$
Total due to other funds		\$ 0

3. There were no transfers from other funds for the year ended June 30, 2001:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
		\$
Total transfer from other funds		\$ 0

4. List by fund all transfers to other funds for the fiscal year:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
		\$
Total transfers to other funds		\$ 0

F. GENERAL FIXED ASSETS

Fixed assets used in the governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost.

A summary of changes in general fixed assets follows:

	<u>Balance at (beginning)</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at (ending)</u>
Land	\$ 0	\$ 0	\$ 0	\$ 0
Buildings	0	0	0	0
Equipment	20,746	0	0	20,746
Construction in progress	0	0	0	0
Total	\$ 20,746	\$ 0	\$ 0	\$ 20,746

G. INVENTORIES

The Massage Therapy Board had no inventories for the year ended June 30, 2001.

H. RESTRICTED ASSETS

The Massage Therapy Board had no restricted assets at June 30, 2001.

I. PAYABLES

At June 30, 2001, the Board had payables totaling \$3,355, as follows:

Class of payable	Governmental Funds		Total
	General Fund	Special Revenue	
Account payable	\$ 2,743	\$ 0	\$ 2,743
Taxes payable	0	0	
Salaries payable	0	0	
Payroll deductions payable	612	0	612
Other payables: (identify)	0	0	
Total payables	\$ 3,355	\$ 0	\$ 3,355

J. RETIREMENT SYSTEM

Substantially all of the employees of the Board belong to the LA State Employees Retirement System a cost sharing multiple employer defined benefit pension plan. The System is a statewide public employee retirement system and is available to all eligible employees. The System publishes yearly annual financial reports that include detailed historical, financial, and actuarial information.

All full-time Board employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service. Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

Members are required by state statute to contribute 7.5% of gross salary, and the Board is required to contribute at an actuarially determined rate as required by LRS 11:102. The contribution rate for the fiscal year ended June 30, 2001, is 13% of annual covered payroll. The rates were 12.3% and 13.0% for the fiscal years ended June 30, 2000 and 1999, respectively. The Board's contributions to the System for the years ending June 30, 2001, 2000, and 1999, were \$11,798, \$9,479, and \$8,402, respectively, equal to the required contributions for each year.

K. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

GASB 12 requires the following disclosures about an employer's accounting for post retirement health care and life insurance benefits:

1. A description of the benefits provided and the employee group covered.
2. A description of the accounting and funding policies followed for those benefits.
3. The cost of those benefits recognized for the period, unless the costs are not readily determinable.**
4. The effect of significant matters affecting the comparability of the costs recognized for all periods presented.

**If the cost of any post retirement health care or life insurance benefits cannot readily be separated from the cost of providing such benefits for active employees or otherwise be reasonably approximated, the total cost of providing those benefits to active employees and retirees, as well as the number of active employees and the number of retirees covered by the plan must be disclosed.

Substantially all Board employees become eligible for these benefits if they reach normal retirement age while working for the Board. There was no cost of providing these benefits for the year ended June 30, 2001.

L. LEAVE

1. COMPENSATED ABSENCES

The Massage Therapy Board has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits. The cost of leave privileges, computed in accordance with GASB Codification Section C60, \$12,541, is recognized as a current year expenditure in the General Fund when leave is actually taken; it is recognized in the enterprise fund when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources \$12,541, is recorded in the general long-term obligations account group.

2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave for the year ended June 30, 2001 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$0.

M. LEASES

The Massage Therapy Board does not record items under capital leases as an asset and obligation on the accompanying financial statement.

1. OPERATING LEASES

The total payments for operating leases during the fiscal year 2000 - 2001 amounted to \$8,950. A schedule of payments for operating leases follows:

<u>Nature of lease</u>	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>There- after</u>
a. Office space	\$ 8,400	\$ 8,400	\$ 8,400	\$ 0	\$ 0	\$ 0
b. Equipment	2,772	2,772				
c. Land						
Total	\$ 11,172	\$ 11,172	\$ 8,400	\$ 0	\$ 0	\$ 0

2. CAPITAL LEASES

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

<u>Nature of lease</u>	<u>Date of lease</u>	<u>Last payment date</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>	<u>Fund that pays lease</u>
a. Office space			0	0	
b. Equipment			0	0	
c. Land			0	0	
Total			\$ 0	\$ 0	

The following is a schedule by year of the capital leases for the five succeeding fiscal years as of the last day of your fiscal year:

<u>Year ending June 30,:</u>	<u>Total</u>
2002	\$ 0
2003	0
2004	0
2005	0
2006	0
Thereafter	0

Total minimum lease payments	<u>0</u>
Less amounts representing executory costs	(<u>0</u>)
Net minimum lease payments	<u>0</u>
Less amounts representing interest	(<u>0</u>)
Present value of net minimum lease payments	<u>\$ 0</u>

3. REVENUE LEASES

Lessor - Direct Financing Leases

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- ◆ Collectibility of the minimum lease payments is reasonably predictable.
- ◆ No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

<u>Composition of lease</u>	<u>Date of lease</u>	<u>Minimum lease Payment receivable</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	<u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> 0</u>
b. Equipment	<u> </u>	<u> </u>	<u> </u>	<u> 0</u>
c. Land	<u> </u>	<u> </u>	<u> </u>	<u> 0</u>
Less amounts representing executory costs		(<u>0</u>)		
Minimum lease payment receivable		<u>0</u>		
Less allowance for doubtful accounts		(<u>0</u>)		
Net minimum lease payments receivable		<u>0</u>		
Less unearned income		(<u>0</u>)		
Net investment in direct financing lease		<u>\$ 0</u>		

Minimum lease payments do not include contingent rentals that may be received as stipulated in the lease contracts. Contingent rental payments occur if, for example, the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for the year ended June 30, 2001 were \$ 0 for office space, \$ 0 for equipment, and \$ 0 for land.

The following is a schedule by year of minimum lease receivable for the five succeeding fiscal years as of June 30, 2001:

Year ending <u> </u> :	
2002	\$ <u>0</u>
2003	<u>0</u>
2004	<u>0</u>
2005	<u>0</u>
2006	<u>0</u>
Thereafter	<u>0</u>
Total	<u>\$ 0</u>

Lessor - Operating Lease

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting) and both of the criteria for a lessor (collectibility and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues, as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for leasing organized by major class of property and the amount of accumulated depreciation (optional for Governmental Funds) as of June 30, 2001:

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Carrying Amount</u>
a. Office space	\$ 0	\$ 0	\$ 0
b. Equipment	0	0	0
c. Land	0	N/A	0
Totals	\$ 0	\$ 0	\$ 0

The following is a schedule by years of minimum future rentals on noncancellable operating lease(s) as of June 30, 2001:

<u>Nature of lease</u>	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>There-after</u>
a. Office space	\$	\$	\$	\$	\$	\$
b. Equipment						
c. Land						
d. Other						
Total minimum future rentals	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Contingent rentals received from operating leases received for the year ended June 30, 2001 were \$ 0 for office space, \$ 0 for equipment, and \$ 0 for land.

N. GENERAL LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are accounted for in the general long-term obligation account group, not in the governmental funds.

The following is a summary of the long-term obligation transactions for the year ended June 30, 2001:

Long term obligations payable at June 30 ,2000	\$ 11,663
Additions	1,405
Retirements	527
Long term obligations payable at June 30, 2001	<u>\$ 12,541</u>

General Long-Term obligations consist of compensated absences.

O. LITIGATION

1. The Massage Therapy Board is not a defendant in litigation seeking damages at this time.

<u>Date of Action</u>	<u>Description of Litigation</u>	<u>Primary Attorney</u>	<u>Damages Claimed</u>	<u>Insurance Coverage</u>
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Totals			\$ <u>0</u>	\$ <u>0</u>

Of the amount not covered by insurance, \$_____, the board/commission has recorded \$_____ as a liability of the General Fund and \$_____ as a general long-term liability, as required by GASB Codification Section C50.

The _____ Board/Commission's legal advisor estimates that potential claims not covered by insurance would affect the financial statement as follows (would not materially affect the financial statements or is unable to estimate the effect on the financial statement):

Claims and litigation costs of \$_____ were incurred in the current year. Of this amount, \$_____ has been recorded as a current year expenditure in the General Fund and \$_____ has been recorded in the general long-term obligations account group as an obligation not requiring current resources.

P. RELATED PARTY TRANSACTIONS

FASB 57 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from which result from related party transactions. There were no related party transactions for the year ended June 30, 2001.

Q. ACCOUNTING CHANGES

There were no accounting changes made during the year involving a change in accounting principle, estimate, error or entity.

R. FUND DEFICITS

<u>Fund</u>	<u>Deficit Amount</u>
_____	\$ <u>0</u>
_____	_____
_____	_____
_____	\$ <u>0</u>

S. ENCUMBRANCES

Encumbrance accounting is not employed.

T. COOPERATIVE ENDEAVORS

LRS 33:9022 defines cooperative endeavors as any form of economic development assistance between and among the state of Louisiana, its local governmental subdivisions, political corporations, public benefit corporations, the United States government or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The state of Louisiana has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the state. The liability outstanding as of June 30, 2001, by funding source, is as follows:

<u>Funding Source</u>	<u>Balance June 30, 2001</u>
State General Fund	\$ 0
Self-generated revenue	0
Statutorily dedicated revenue	0
General obligation bonds	0
Federal funds	0
Interagency transfers	0
Other funds/combination	0

NOTE: Amounts in excess of contract limits **cannot** be used to reduce the outstanding contract balance at June 30, 2001. For example, if a contract specifies a percentage of usage for each month (25%) and usage exceeds that percentage (75%), you cannot claim actual usage that exceeds contract requirements (50%).

NOTE: In order to compute your ending balances by funding source, you should begin with your balances at June 30, 2000. These amounts will be increased by amounts for new contracts and amendments and decreased for payments as well as for liquidations.

U. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2000-2001:

<u>CFDA Number</u>	<u>Program name</u>	<u>State Match Percentage</u>	<u>Total Amount of Grant</u>
			\$
Total government-mandated nonexchange transactions (grants)			0

V. SUBSEQUENT EVENTS

There were no material event(s) affecting the Board between the close of the fiscal period and issuance of the financial statement.

**STATE OF LOUISIANA
MESSAGE THERAPY BOARD
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
For the Year Ended June 30, 2001**

<u>Name</u>	<u>Amount</u>
Marco Blamphin	\$2,050
Michael Breaux	6,800
Michael Cavanaugh	100
Tammy Kershaw	6,650
Ellen La Rocca	200
Juanita Bourg Tucker	200
Joe Wilson	100
Total	16,100

Schedule 1

STATE OF LOUISIANA
 MASSAGE THERAPY BOARD
 SCHEDULE OF EXPENDITURES BY OBJECT
 For the Year Ended June 30, 2001

Expenditure	Amount
Personal services	\$ <u>108,944</u>
Travel	<u>9,434</u>
Operating services	<u>34,517</u>
Supplies	<u>4,434</u>
Professional services	<u>46,237</u>
Other charges	<u>0</u>
Capital outlay	<u>613</u>
Interagency transfers	<u>0</u>
Debt service	<u>0</u>
Total	\$ <u>204,179</u>

Schedule 2